

Request for Proposals

Round II

**Vermont State Hospital Futures Project
for
Adult Mental Health Crisis Stabilization / Inpatient Diversion
Bed Capacity**

**From
Vermont Designated Mental Health Agencies**

**Issued
June 22, 2007**

Request for Proposals

Vermont State Hospital Futures Project Adult Mental Health Crisis Stabilization / Inpatient Diversion Bed Capacity June 22, 2007

Overview

The Vermont Division of Mental Health (DMH), Vermont's single state agency mental health authority, is seeking proposals to develop **up to six (6) beds** for crisis stabilization / psychiatric inpatient diversion capacity for the community services portion of the Vermont State Hospital Futures Project. Effective July 1, 2007, DMH will officially become the Vermont Department of Mental Health and will be referred to as such or as DMH throughout this RFP.

The SFY '08 allocation for these beds (6-beds) is \$541,359 (reflecting a partial year of operations). The Vermont Department of Mental Health seeks proposals from any of the ten (10) Designated Mental Health Agencies for this crisis stabilization / inpatient diversion bed capacity under the authority granted in 18 VSA §7202 and §8907.

Vermont Designated Mental Health and Developmental Services Agencies planning new projects are excluded from Certificate of Need (CON) review under 18 V.S.A. § 9435(b).

Rather, these agencies must seek and receive written approval from both the Commissioner of the Vermont Department of Mental Health and the Commissioner of the Department of Disabilities, Aging and Independent Living (DAIL). If the project involves services or structures only for people with developmental disabilities or people with mental illness, then only the approval of the respective commissioner for the relevant department is required.

The approval, known as a Certificate of Approval (COA), must be received prior to implementing any project that involves the following:

- Capital expenditure exceeding \$1,500,000 for construction, development, purchase or long-term lease of property or an existing structure
- Purchase of technology, technology upgrade, other equipment or a renovation with a cost exceeding \$1,000,000
- The offering of a health care service having a projected annual operating expense that exceeds \$500,000 for either of the next two budgeted fiscal years if the service was not offered or employed by the health care facility within the previous three fiscal years.

This RFP and review process is designed to meet the Certificate of Approval requirements. Proposals selected as a result of RFP will be granted a Certificate of Approval without being subject to an additional review.

DMH Crisis Bed Request for Proposals
June 22, 2007

Background

The Futures Project

The Vermont Mental Health Futures Plan calls for the transformation of our service system towards a consumer-directed, trauma-informed, and recovery-oriented mental health system. The plan was developed through an inclusive, statewide planning process that brought together diverse stakeholders, forming the VSH Futures Advisory Committee in 2004.

The Futures Plan calls for replacement of the Vermont State Hospital with a new array of inpatient, rehabilitation, residential and support services for adults. A core concept of the Futures Plan is to create new community services and supports while strengthening the existing services infrastructure to reduce Vermont's use of involuntary, inpatient psychiatric services.

In November 2005, the Futures Advisory Committee endorsed the overall plan concept with the full complement of community supports. The Secretary of the Agency of Human Services accepted the recommendation of the Futures Advisory Committee. The Legislature's Mental Health Oversight Committee and the Joint Fiscal Committee approved the plan.

Work groups were formed to address many parts of the Futures Plan, including the critical issue of how best to develop new crisis bed programs in the community, an integral component of the Futures Plan.

The Futures Plan, work group reports and other planning documents may be viewed at the Department of Mental Health's web site:
<http://healthvermont.gov/mh/update/mhupdate.aspx>

Crisis Bed Futures Work Group Recommendations

Throughout the summer and fall of 2006, a work group of the Futures Advisory Committee formed to develop recommendations on the development of new crisis stabilization / diversion beds as part of the overall Futures Plan implementation. The work group also offered broad recommendations concerning the Mental Health Emergency services system. The work group report (VSH Futures Project Crisis Bed Development Work Group Report, October 11, 2006) was endorsed by the Futures Advisory Committee at its October 2006 meeting. The recommendations concerning implementation of new crisis bed capacity form the core criteria in this Request for Proposals (RFP).

Vermont's Current Crisis Bed Capacity and Distribution

There are currently 18 crisis beds in VT. The distribution of these beds is as follows:

Assist in Burlington: 3 beds Batelle House in Bennington: 6 beds

Home Intervention in Barre: 5 beds Alternatives in Springfield: 4 beds

In addition, as a result of an RFP for additional crisis beds in the first half of 2007, 4 additional beds were approved. They will be located as follows.

Northwest Counseling and Support Services 2 beds

Northeast Kingdom Human Services 2 beds

This will bring Vermont's total crisis bed capacity to 22 beds.

Futures Crisis Bed Work Group and the Health Resource Allocation Plan (HRAP) Standards

A transformed mental health system would recognize “the intense need for services during the first hours of a psychiatric crisis and the reduction in inpatient admissions that could occur as a result of a well-coordinated emergency services system.”¹ The crisis bed work group concurs with the HRAP that crisis stabilization / inpatient diversion programs are a high priority for development because they can reduce pressures on the voluntary and involuntary inpatient systems, resulting in more efficient use of resources and more integrated, trauma-informed, and recovery-oriented care in home communities. The group considered Vermont's HRAP standards that specified that:

1. Short term psychiatric care (not necessarily in a dedicated unit) and psychiatric emergency care should be available to most Vermonters within the geographic areas served by the designated agency system.
2. Psychiatric services in dedicated units should be available to most Vermonters within the hospital service areas for the regional and tertiary hospitals.

Other pertinent notes from the HRAP include ranking as a high state priority, “allocating more resources to emergency services, given the intense need for services during the first hours of a psychiatric emergency and the reduction in inpatient admissions that could occur as a result of a well-coordinated emergency service system.” Options identified in the HRAP emergency services priority are listed below. Those in italics are the H-RAP priorities to be addressed by the proposals responding to this RFP:

1. ***Develop secure triage and assessment facilities in hospital emergency rooms***
2. Add training and support for first responders to psychiatric emergencies
3. Increase resources for Designated Agency Emergency Services
4. Increase resources for psychiatric services at general hospitals
5. Consider proposal identified in the 2005 ADAP public health report²
6. ***Increase resources for crisis/triage/diversion beds for mental health and substance abuse***

¹ Health Resource Allocation Plan for the State of Vermont, adopted August 2, 2005.

² “Substance Abuse: A Public Health Problem Requiring Appropriate Intervention” and the accompanying addendum entitled, “Law Enforcement Response” (Vermont Division of Alcohol and Drug Abuse Programs, February 2005)

Review Schedule

June 22, 2007	DMH Issues RFP
July 13, 2007	Deadline for receipt of letter of intent to submit a Proposal /Application
July 20, 2007	DMH notifies applicants if proposal subject to Certificate of Approval (COA) Review
September 7, 2007	Deadline for receipt of written Proposals /Applications
September 21, 2007	Proposals / Applications ruled complete by DMH
September 21 – October 12, 2007	Public Comment Period; applications posted to VDH website.
TBD	Public Hearing scheduled at date to be determined
October 19, 2007	Review panel provides recommendations to Mental Health Commissioner
October 26, 2007	Mental Health Commissioner approves selected proposal(s) and grants them Certificates of Approval

Instructions to Applicants

Letter of Intent

Interested Designated Agency must submit a Letter of Intent to DMH summarizing the proposed project and its associated projected costs on or before July 13, 2007.

Public Comment Period & Ruling Applications Complete

The review schedule reflects a required public review and comment period, during which time the proposals will be posted to the Department's website, a public hearing will be held and comments will be invited. The review process and rating criteria appear in the last section of this RFP.

Proposal Format

Use standard 8.5" X 11" white paper. Documents must be single-spaced and use not less than a twelve-point font. Pages must be numbered. It is required that agencies email an electronic version of the proposal to facilitate proposal reviews and contract development with the apparently successful bidder(s). Use agency identification of all pages.

The program narrative should not exceed 20 pages including the one-page budget and budget narrative. Attachments are excluded from this page limit. The Cover Page for the Application and the required narrative appear below. The narrative must respond to and follow the sequence of the narrative questions posed in this RFP.

Required Program Elements and Criteria

Proposals entertained under this RFP must be responsive to the following criteria and program goals. Proposals must describe *how* the following program guidelines and characteristics would be met in the proposed program. Please integrate this information into the narrative of your proposal.

1. The entity making this application / proposal must be a Vermont Mental Health and/or Developmental Services Designated or Specialized Service Agency.
2. The service or programs proposed by the applicant for this RFP will be completely voluntary.
3. The proposed crisis bed capacity must function as part of the larger care management system and system of care.
4. Applicants must ensure that the program is available to respond to the general needs of the adult acute mental health care system and that it will be available to individuals 18 years or older, not limited to CRT consumers.

5. The program must ensure:
 - Daily medical oversight
 - Daily access to a psychiatrist
 - Clinical and therapeutic programming designed to address psychiatric crisis and assist clients to return to previous or improved levels of functioning
 - Peer services and support
 - Adequate staffing
6. The proposed crisis bed program must provide as much capacity as possible within appropriated resources
7. The program must be cost-effective and, if appropriate, include the following:
 - leveraging resources with existing programs in the network of Designated Agencies and Vermont's hospitals,
 - coordinating with existing facilities and programs, and
 - sharing medical resources
8. The program must secure ongoing input from local program standing committees for program development and policy

In addition to consistency with the criteria described above, review criteria for the RFP will also include the following considerations:

1. Proposals that promote geographic access to the high priority locations in the corridors between White River Junction and north, and between Burlington and Bennington.
2. Proposals that have the largest impact on reducing the use of Vermont State Hospital and other involuntary inpatient care.
3. Proposals most successful in leveraging the capacity of existing resources (such as hospitals and other programs that operate 24-7) with these new funds.
4. Proposals from designated agencies that do not have crisis bed programs currently.
5. Proposals from designated agencies that may have a crisis bed program but that require a second location to assure access within reasonable distances.
6. Proposals that offer both local and statewide access.

Applicant: _____

Project Title: _____

Principal Contact: _____

Address: _____

(street) (town/city)

(state) (zip code) (telephone number)

- Capital expenditure exceeding \$1,500,000 for construction, development, purchase or long-term lease of property or existing structure
- Purchase of a technology, technology upgrade, other equipment or a renovation with a cost exceeding \$1,000,000
- The offering of a health care service having a projected annual operating expense that exceeds \$500,000 for either of the next two budgeted fiscal years if the service was not offered by the health care facility within the previous three fiscal years.

B. Proposed Lease Amount (payment times term) \$_____ I certify to the best of my knowledge and belief, that the information in this application is true and correct and that this application has been duly authorized by the governing body of the applicant.

DATE: _____

Proposal Narrative

I. Abstract

Please provide an abstract of your proposal that is 300 words or less.

II. Proposal Overview and Program Description

Provide an overview of the project that offers sufficient detail for readers to understand the magnitude, complexity, and major elements of what is being proposed. Describe how the program will be structured, who it will serve and what services will be offered. Discuss what program outcomes you anticipate. This section should offer the reader a reasonable understanding of how the proposed crisis bed program will function. In responding to the following, please be mindful of the required program elements and criteria discussed above.

Admission Criteria and Care Management. Who will be served in the program? What are the clinical characteristics and needs of the people who will be admitted and how will they be recruited for admission? Since the service will be completely voluntary, how will prospective clients be encouraged to use the program? Describe how it will respond to the general needs of the adult acute mental health population 18 years and older and not necessarily those in the CRT Program.

How will the proposed crisis bed program function as part of the larger care management system and system of care? Please provide the proposed admission, discharge and continued stay criteria for the program. Describe how referrals and discharges will be decided consistent with the inpatient diversion and step-down outcomes of the program. How will this proposed project be coordinated with other services or providers in your area?

Clinical Program. Describe the clinical programming for this proposed program and how it will ensure the following:

- Daily medical oversight
- Daily access to a psychiatrist
- Clinical and therapeutic programming designed to address psychiatric crisis and assist clients to return to previous or improved levels of functioning
- Peer services and support
- Adequate staffing

What specific treatment and support modalities will be offered and how do these relate to the clinical mission of crisis stabilization and inpatient diversion? What services will be available to people with co-occurring mental health and substance abuse disorders?

Staffing Patterns. Please describe the proposed staffing patterns and your plans for recruiting and training program staff. Will any existing agency staff be used, and, if so, in

what way and to what degree. Will program staff be supplemented by on-call staff, and, if so, in what way will these staff be used?

III. Proposed Location

Describe the facility and location for the planned service. Will the space be leased, rented, purchased or constructed, what will be the costs associated with this arrangement and what additional services, if any, will be included? Will any renovations be needed and, if so, what will be the costs associated with these? Please keep this statement reasonably concise and provide the following applicable details:

For construction or renovation projects (if applicable):

1. Provide dates for the duration of the proposed construction and renovation period.
2. Include schematic drawing, at least 1/16" scale, for the existing and proposed facility.
3. Provide existing and proposed departmental net and gross square feet for each department affected by the project.
4. Provide assurance that the project will comply with ADA commercial construction standards.
5. Provide description of permitting processes (local/regional/state) that the project will be subject to.

For projects involving lease arrangements (if applicable):

1. Indicate the duration, dates, and terms of the lease.
2. Compare costs of lease with purchase option.

For projects involving the refinancing of existing debt (if applicable):

1. Describe the terms of both old and new debt, interest and maturity.
2. Demonstrate cost savings of refinancing or describe reasons for refinancing.

IV. System Need, Local Support, Strategic Planning and Outcomes

Please describe how this proposal is consistent with your agency's Strategic Plan or System of Care Plans, and describe any public input or involvement that your agency has participated in or invited as part of the development of this proposal.

How will this proposal be reviewed and endorsed by the applicant's Board of Directors and the appropriate Local Standing Committee or Committees. How will the program secure ongoing input from these groups for program development and policy?

Please describe how this proposal is consistent with Vermont's Health Resource Allocation Plan (H-RAP). As this project is in response to a Request for Proposals, it is not necessary to demonstrate need for new crisis stabilization / diversion beds. Instead, please describe how the program will meet the primary outcomes of reducing and diverting psychiatric inpatient use. What specific targets, from the outcomes listed below, will the program meet?

1. Reduce inpatient psychiatric admissions to VSH and General Hospitals
2. Reduce the number of inpatient days at VSH and General Hospitals

Please describe the methodology and data employed to develop these outcome targets, and discuss how service utilization and program effectiveness will be reviewed?

V. Organizational Structure

If the applicant is not a single designated agency but rather a consortium of agencies **or** if the designated agency applicant intends to sub-contract for the service:

1. Please provide details about the organization's governance and organizational structure
2. Describe plans for ongoing consumer involvement in governing the entity.
3. Please describe any key organizational arrangements necessary to implement this proposal such as contracts, affiliations, or partnerships and the financial or other contributions that any affiliated organization or related party will be making to the project.

VI. Projected Costs and Financial Feasibility

Please complete the attached budget page and include an explanatory budget narrative with general notes about the budget, its related revenues and expenses. Provide any narrative information that you believe would help illustrate the financial impact and feasibility of this project. If the tables reflect anything significant that requires an explanation or clarity, please address this in the narrative.

Were any alternatives to this proposal considered and, if so, why were they rejected? Explain why you believe there are no other less costly or more effective alternatives to be considered.

Please address any of the following that are applicable to your proposed project:

1. For projects that require high levels of debt financing relative to the cash flow of the institution, please submit the previous year's balance sheet and a projected balance sheet reflecting the increased debt level.
2. For projects whose financial feasibility is endangered by low utilization, submit a financial forecast in which utilization levels are only sufficient for the service to break even financially.

Submission Details and Review Requirements and Provisions

Delivery of Letters of Intent and Proposals

Letters of intent to respond to this RFP must be received no later than 4:00 p.m. on Friday, July 13, 2007 at the following address:

Trish Palmer: VT Futures Project
Department of Mental Health
108 Cherry St.
Burlington, VT 05402-0070
tpalmer@vdh.state.vt.us

RE: Letter of Intent to Respond to RFP – VSH Futures Crisis Stabilization /
Inpatient Diversion Bed Capacity

Proposals must be received no later than 4:00 p.m. on Friday, September 7, 2007 at the following address:

Trish Palmer: VT Futures Project
Department of Mental Health
108 Cherry St.
Burlington, VT 05402-0070
tpalmer@vdh.state.vt.us

RE: Response to RFP – VSH Futures Crisis Stabilization / Inpatient Diversion Bed
Capacity

Public Disclosure / Public Comment Period

All proposals shall become the property of DMH.

All public records of DMH are available for disclosure after the submission deadline. The proposals will be posted to the DMH Website and will be made available for public comment.

The Public Comment period will be between September 21 and October 12, 2007. Written comments should be submitted via Email to Trish Palmer at the address listed above. In addition, there will be a Public Forum at a date to be determined later.

Costs of Proposal Preparation

DMH will not pay any bidder costs associated with preparing or presenting any proposal in response to this RFP.

Receipt of Insufficient Competitive Proposals

If DMH receives one or fewer responsive proposals as a result of this RFP, DMH reserves the right to select a Contractor, which best meets DMH's needs. The Contractor selected need not be the sole bidder but will be required to document their ability to meet the requirements identified in this RFP.

Non-Responsive Proposals/Waiver of Minor Irregularities

Read all instructions carefully. If you do not comply with any part of this RFP, DMH may, at its sole option, reject your proposal as non-responsive.

DMH reserves the right to waive minor irregularities contained in any proposal or to seek clarification from bidding agency.

RFP Amendments

DMH reserves the right to amend this RFP. DMH will mail any RFP amendments to all bidders who sent a letter of intent.

Right To Reject All Proposals

DMH may, at any time and at its sole discretion and without penalty, reject any and all proposals and issue no contract as a result of this RFP.

Authority To Bind DMH

The Commissioner is the only person(s) who may legally commit the Department of Mental Health to personal services, client service, and information service contracts. The Contractor shall not incur, and DMH shall not pay, any costs incurred before a contract is fully executed.

The Department of Mental Health reserves the right to accept or reject any or all bids. The proposals will be evaluated by the staff of DMH. If an organization is selected, representatives will be invited to negotiate a contract.

The Department will inform applicants of its decision by October 26, 2007.

Questions Concerning RFP:

Beth Tanzman
Department of Health
Division of Mental Health
108 Cherry St.
Burlington, VT 05402-0070
802-652-2000

Proposal Review Process

Department of Mental Health staff will review proposals for compliance with RFP procedural requirements and assess if the required elements of the application are addressed. If procedural instructions are not followed, the proposal shall be considered

non-responsive. Non-responsive proposals will be eliminated from further evaluation or returned to bidding agency to address minor irregularities. DMH will rule responsive applications complete on or before September 21, 2007.

The applications, and related attachments will be posted on the Department of Mental Health website. A public review period will take place between September 21 and October 12, 2007. This will include written comments and public forum (see below).

Staff of the Agency of Human Services and invited members of relevant advisory and standing committees will be convened for a project-specific review committee. The committee will meet once, in a public forum, to hear presentations from the applicants and comments from the public. The review committee members will also receive copies of any written public comments received by the DMH. On or before October 19, 2007, members of the review committee will submit their recommendations to the Commissioner of Mental Health. The Commissioner of Mental Health will issue a decision on or before October 26, 2007.

Scoring

Each proposal will be scored by individual review team members. The scoring criteria will be based on the following broad considerations.

The following weight is assigned to each component of the RFP:

	<u>Weight</u>	<u>Maximum Points</u>	<u>Weighted Total</u>
(1) Required Program Elements	4	10	40
(2) Facility	1	10	10
(3) Local Governance and Strategic Plan	1	10	10
(4) H-Rap and Outcomes	2	10	20
(5) Cost / Maximum Capacity for resources	2	10	20

Total Maximum Individual Scores 100

The review committee will, based on these ratings and reviews of written comments, submit written recommendations to the Commissioner of Mental Health.

BUDGET: CRISIS BEDS AGENCY _____

REVENUE

	FY '08	FY '09	FY'10
DMH GRANT			
OTHER REVENUE (IDENTIFY):			
• SOURCE 1			
• SOURCE 2			
• SOURCE 3			
Total Revenue:			

EXPENSES

STAFF	HRS/WK	ANNUAL COST		
•				
•				
•				
•				
•				
•				
•				
Subtotal of Staff				
Fringe : _____ %				
Total Staff Cost				
ON-CALL STAFF	HRS/WK			
•				
•				
•				
•				
•				
Total On-Call Staff				
OPERATING EXPENSES	Per Mth			
Rent				
Electricity				
Phone				
Cable				
Heat				
Food				
Cleaning/Trash Removal/Laundry				
Supplies (Cleaning, bedding & Bath, etc)				
Staff Training				
Peer Support Group Meetings & Support				
Mileage/Transportation				
Other				
Total Operating Expenses				
Total Direct Expenses				
Administration Allocation _____ %				
Total Expenses				